

## STOCK SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

The undersigned hereby agrees with Staton Communications, Inc., a Kentucky corporation to be formed, to receive from said corporation the number of shares of capital stock in said corporation hereinafter set opposite the undersigned's name, and to pay for said shares in said corporation upon demand by said corporation at the rate of \$0.10 per share for the number of the shares set below.

The undersigned hereby acknowledges and consents by the signing of this agreement to the following rights and conditions placed upon the below subscribed shares of stock as follows:

Class A: Class A voting stock contains all the rights, without limitation, generally attributed to rights involved with common stock; and no par value.

Class B: Class B or non-voting stock contains rights of investment only, which stock specifically precludes its owner in the following ways: from being an employee of the corporation; from securing as an independent contractor or agent in any material capacity for the corporation; from communicating with the owner of Class A or voting stock on matters pertaining to the day to day operations of the corporation's business; from selling his stock without the prior written consent of the Class A or voting stock owner; from having any voting rights with regard to any matter of the corporation's business, including, but not limited to, removal of any employee, officer, or director of the corporation; from performing any service for the corporation with the exception of making loans to, or acting as surety for the business; and from becoming involved in the management or operation of the business of the corporation.

Inasmuch as all shares authorized are to be issued, no shareholder may acquire additional stock in the corporation. No shares of either class of stock may be converted into the other class of stock. The owner of Class B or non-voting stock may not sell his stock without the prior written consent of the owner(s) of Class A or voting stock.

The By-Laws of the corporation shall be in the form of Exhibit A attached hereto.

The parties recognize that the cost to be incurred in the preparation and prosecution of the application for a new FM station in New Albany, Indiana, and in the construction and operation of the radio station beyond that will exceed the amount of funds constituting the initial capitalization of the corporation. In the event that, in the sole opinion of the Board of Directors of the corporation, such additional funds are not readily available to the corporation from (1) capital contributions already made or committed to be made; (2) operations of the corporation; (3) borrowings of the corporation from the nonvoting shareholders or guaranteed by the nonvoting shareholders; (4) or borrowings of the corporation, which the Board of Directors of the corporation, may from time to time, call upon the owners of the shares to make additional contributions in cash. In the event that such call is made, the nonvoting shareholder agrees to loan those funds necessary to prosecute the application of the corporation before the Federal Communications Commission, up to an amount not to exceed \$150,00.00<sup>1</sup>. Thereafter, the stockholders agree to contribute such amounts in cash up with the percentage of responsibility based on class of stock held as set forth below:

<u>CLASS A. VOTING SHAREHOLDER</u>	<u>SHARES</u>	
Mildred J. Staton	200 shares	20%
<u>CLASS B. NON-VOTING SHAREHOLDER</u>	<u>SHARES</u>	

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<sup>1</sup> The voting shareholder has reviewed the financial statement of the nonvoting shareholder, and has determined that the nonvoting shareholder is able to fund such a loan in the full amount stated. If made, the loan will be secured by a lien on the equipment of the station, which lien will be subordinated to the primary financing for the station, and will be repaid with interest on the unpaid balance at the prime rate of interest of the bank of the corporation existing at the time the station goes on the air. The loan will be repaid from available funds at the discretion of the President of the corporation, but prior to dividends being paid, or distribution upon sale, to the shareholders.

Kenneth L. Ramsey

800 shares

80%

All parties to this agreement further agree that they will personally guarantee any note at a bank as determined by the Board of Directors for the construction of the station not to exceed the sum of \$425,000.

This agreement may be executed in counterparts.

NAME OF SUBSCRIBER

NUMBER AND CLASS OF SHARES

Mildred J. Staton

200 - Class A

Kenneth L. Ramsey

800 - Class B

Dated:

11/14/91

Mildred J. Staton  
Mildred J. Staton

Dated:

Kenneth L. Ramsey  
Kenneth L. Ramsey

Approved:

Mildred J. Staton  
Staton Communications, Inc.  
by Mildred J. Staton

Kenneth L. Ramsey

800 shares

80%

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NAME OF SUBSCRIBER

NUMBER AND CLASS OF SHARES

Mildred J. Staton

200 - Class A

Kenneth L. Ramsey

800 - Class B

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mildred J. Staton

Dated: Nov. 13, 1991

Kenneth L. Ramsey  
Kenneth L. Ramsey

Approved:

\_\_\_\_\_  
Staton Communications, Inc.  
by Mildred J. Staton

## **Broadcast Interests/Applications**

Staton Communications, Inc. has no interests or applications other than the instant application.

Mildred J. Staton has no interests or applications other than her interest in the instant application.

Kenneth L. Ramsey is involved in the following:

Owns 20% nonvoting stock of Signal Mountain Radio Consolidation, Inc.; which, via a settlement approved in MM Docket No. 91-97, will become the permittee for a new FM station for Signal Mountain, Tennessee.

Owns 80% nonvoting stock of KRB Broadcasting, Inc., an applicant for a new FM station for Clarksville, Indiana, FCC file # BPH-890905MD, which application has been dismissed, but which dismissal is not yet final.

Owned 80% nonvoting stock of New Era Communications Group, Inc., an applicant for a new FM station for Mount Juliet, Tennessee, FCC file # BPH-891012ND, which application has been dismissed.

Owned 80% nonvoting stock of Media Enterprises of Warrior, Inc. an applicant for a new FM station for Warrior, Alabama, FCC file # BPH-891218MG, which application has been dismissed via settlement.

Owns 80% nonvoting stock of Bluegrass On-The-Air, Inc., an applicant for a new FM Station for Philpot, Kentucky, FCC file # BPH-900705MJ. Note-settlement documents were filed on July 31, 1991, whereby the application of Bluegrass On-The-Air, Inc. would be dismissed.

Owns 80% nonvoting stock of Triumph Communications, Inc., an applicant for a new FM station for Idalou, Texas, filed on November 1, 1990, FCC File #BPH-901101MI.

Owns 80% nonvoting stock of Cope Communications, Inc., which has filed, or will file on or before November 15, 1990, an application for a new FM station for Westwood, Kentucky, FCC File #BPH-901115MH. Note-settlement documents were filed on July 31, 1991, whereby the application of Cope Communications, Inc. would be granted.

Owns 80% nonvoting stock of Gorecomm, Inc., which has filed, or will file on or before November 15, 1990, an application for a new FM station for Morehead, Kentucky, FCC File #BPH-90115MF. Note-settlement documents were filed on July 31, 1991, whereby the application of Gorecomm, Inc. would be dismissed.

Owns 80% nonvoting stock of Mandujano Communications, Inc., which filed an application for a new FM station for Amarillo, Texas on November 23, 1990, FCC File #901123MC. Not-settlement documents were filed on November 13, 1991, whereby the application of Mandujano Communications, Inc. would be granted.

Owns 80% nonvoting stock of Crystal Clear Communications, Inc., which has filed on December 14, 1990, an applications for a new FM station for Seelyville, Indiana, FCC File #901214MJ.

Owns 80% of nonvoting stock of Zenitram Communications, Inc., which has filed on December 20, 1990, an application for a new FM station for Brockport, New York, FCC File #901220MG.

Owns 80% nonvoting stock of Bayou Broadcasting, Inc., which has filed on December 31, 1990, an application for a new FM station for White Hall, Arkansas, FCC File # BPH-901231MB. Note-this is a single applicant, and is awaiting final approval subject to an amendment.

Owns 80% nonvoting stock of TCom, Inc., which has filed on January 21, 1991 an application for a new FM station for La Crosse, Wisconsin, FCC File #910122MA.

Radial bearing (degrees True)	Height of radiation center above average elevation of radial from 3 to 16 km (meters)	Predicted Distances	
		To the 3.16 mV/m contour (kilometers)	To the 1 mV/m contour (kilometers)
- 75°			
0			
45			
90			
135		SEE EXHIBIT VI	
180			
225			
270			
315			

\*Radial through principal community, if not one of the major radials. This radial should NOT be included in the calculation of HAAT.

20. Environmental Statement/See 47 C.F.R. Section 1.1301 et seq./

Would a Commission grant of this application come within Section 1.1307 of the FCC Rules, such that it may have a significant environmental impact? ☐ Yes ☒ No


If you answer Yes, submit as an Exhibit an Environmental Assessment required by Section 1.1311.

Exhibit No.

If No, explain briefly why not. Site is not environmentally sensitive per §1.1307; RFR within ANSI guidelines per OST Bulletin No 65; authorized tower personnel will either reduce or turn transmitter off before climbing tower.

CERTIFICATION

I certify that I have prepared this Section of this application on behalf of the applicant, and that after such preparation, I have examined the foregoing and found it to be accurate and true to the best of my knowledge and belief.

Name (Typed or Printed) Dwight R. Magnuson	Relationship to Applicant (e.g., Consulting Engineer) Consulting Engineer
Signature 	Address (Include ZIP Code) P.O. Box 2761 30 Market Square Mall Knoxville, TN 37901
Date November 11, 1991	Telephone No. (Include Area Code) (615) 525-6358

JUN 24 1993

COHEN & BERFIELD

**Before the  
FEDERAL COMMUNICATIONS COMMISSION**

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In re Applications of	:	MM DOCKET NO. 93-51
MARTHA J. HUBER	:	File No. BPH 911114ME
RITA REYNA BRENT	:	File No. BPH 911115MC
MIDAMERICA ELECTRONICS	:	
SERVICE, INC.	:	File No. BPH-911115ML
STATON COMMUNICATIONS, INC.	:	File No. BPH-911115MU
For construction Permit for	:	
a New FM Station on Channel	:	
234A in New Albany, Indiana	:	

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1 Frankfurt. We had a lot of stationary of Ramcell, Inc.  
2 so we just continue using it. We still use the name,  
3 but it's just not a corporation any more.

4 Q. Okay. Do you use the name in connection with  
5 the cellular interests held by you and your wife?

6 A. Yes.

7 Q. Do you use it in connection with any broadcast  
8 interests in which you're involved?

9 A. No.

10 Q. Mr. Ramsey, when did you first learn that the  
11 commission intended to allocate a new FM channel to New  
12 Albany, Indiana?

13 A. Sometime in September 1991.

14 Q. Okay. From whom did you hear that  
15 information?

16 A. Charlie Thompson.

17 Q. Okay. And who is Charlie Thompson?

18 A. Charlie Thompson is an ex-broadcaster,  
19 consultant.

20 Q. Would it be correct to say you had known Mr.  
21 Thompson previous to that phone call?

1 A. Yes.

2 Q. How long had you known Mr. Thompson?

3 A. Since the filing of the cellular applications  
4 in the fourth round, which would have been 1984.

5 Q. Okay.

6 A. Give or take a few months, prior to the filing  
7 of the fourth round cellular applications.

8 Q. Was Mr. Thompson involved as a consultant in  
9 the filing of cellular applications in which you were  
10 involved?

11 A. Yes.

12 Q. Okay. What did Mr. Thompson say to you in  
13 September 1991 when he informed you that the new FM  
14 channel to New Albany was being allocated?

15 A. He just said there was an investment  
16 opportunity over in New Albany, Indiana, that the New  
17 Albany application would cover Louisville, Kentucky.  
18 And he thought the investment was worthy of me looking  
19 into.

20 Q. What was your reaction to his statement?

1           A.    I told him to get me the details on it and let  
2 me know what was going on.

3           Q.    Okay. Did he provide you with additional  
4 information?

5           A.    Yes, he sent me up the -- I guess the public  
6 notice or the digest showing what the filing window was,  
7 when it was opening, when it was closing, and gave me  
8 the approximate amounts it would cost to file in the  
9 market.

10          Q.    He gave you -- what was his estimate of how  
11 much it would cost?

12          A.    He was interested in filing the application,  
13 taking care of the details. And I think we agreed on a  
14 price of \$3,450.

15          Q.    Okay.

16          A.    That was for his part.

17          Q.    That was just for Mr. Thompson's services,  
18 correct?

19          A.    That also included him contacting an engineer  
20 to do the propagation studies, to make sure the station  
21 would cover Louisville, Kentucky.

1 Q. Okay. Back up for a moment. Did Mr. Thompson  
2 regularly inform you of such opportunities as they  
3 became available?

4 A. From time to time he did.

5 Q. And how long previously had he been providing  
6 you with such information?

7 A. Year and a half, a year, somewhere along  
8 there.

9 Q. With respect to other FM applications you were  
10 involved in, did you first learn of the opportunity to  
11 apply for those markets through Mr. Thompson?

12 A. Some of them I did, some of them I didn't.

13 Q. Okay. Was Mr. Thompson used as a consultant  
14 for at least some of these applications, other FM  
15 applications?

16 A. Yes.

17 Q. Was he used as a consultant in all of the FM  
18 applications in which you were involved?

19 A. I think he was involved in all of them.

20 Q. Okay. What other sources of information would  
21 you learn of FM allocations from?

1           A.    I subscribe to the, I believe they call it,  
2   International Transcription Service here in Washington,  
3   D.C., where they send me the public notices from the FCC  
4   on cellular, and I also have them send me the Daily  
5   Digest, I guess they call it. So I can see on there  
6   what filing windows was coming available. In other  
7   words, keep up with the cellular stuff along with the  
8   FM.

9           Q.    Okay. So you were referring to Mr. Thompson  
10   providing you with the information on the filing window  
11   and the price quote. Initially, in response to your  
12   initial request, did he provide you with any additional  
13   information at that point in time?

14          A.    Such as what kind of information are you  
15   speaking of?

16          Q.    Well, let me -- did he provide you with any  
17   information on the New Albany/Louisville area?

18          A.    I don't recall anything specific on it, except  
19   he just thought it would be a good area. And since I  
20   live down in Lexington, which is only 85 miles down the  
21   road, I was aware of the size of Louisville.

1 Q. Okay. Did you ever -- other than general  
2 knowledge you had, for purposes of this application, did  
3 you ever do any independent investigation of the New  
4 Albany market or the Louisville market?

5 A. No.

6 Q. Okay. What was the next event that happened  
7 after Mr. Thompson provided you with the filing window  
8 and the price quote for his services?

9 A. He said he would take care of the engineer and  
10 he would -- he had an attorney he would refer us to in  
11 return for the \$3450, and that he would put the  
12 application together up to a point. In other words, he  
13 was the driving force behind it. In other words, he saw  
14 that it got done.

15 Q. Okay. At what point in time did you make the  
16 judgment to go forward with this project?

17 A. I'd say I probably decided to do it when I  
18 found out the filing window was open.

19 Q. Okay.

20 A. The large market.

1 Q. Directing your attention again to the  
2 September 23rd, 1991, letter, in that letter you send a  
3 -- you send a check for \$1725 to Mr. Thompson. Was that  
4 his -- was that the initial payment on his services for  
5 the New Albany application?

6 A. Yes. The deal was half up front and half when  
7 he finished the application, when the application was  
8 filed.

9 Q. So as of September 23rd, 1991, you had made  
10 the judgment to go forward with this application?

11 A. I made the judgment to go forward if certain  
12 things transpired. In other words, I wasn't locked in  
13 to absolutely go through with it.

14 Q. But you were -- okay, what were those events  
15 or those contingencies?

16 A. Make sure that the engineering checked out  
17 properly, that the -- in other words, that it did in  
18 fact cover the city of Louisville, Kentucky.

19 Q. Okay. Now, did there come a time when you  
20 were informed that the station would cover Louisville?

21 A. Yes.

1 Q. Did Mr. Thompson inform you of that fact?

2 A. Yes.

3 Q. Do you remember when he informed you of that?

4 A. After the engineer did the propagation studies  
5 on it.

6 Q. Okay. Was that September 1991 or October  
7 1991?

8 A. Be sometime between then and the time we filed  
9 the application. I don't know exactly when it was that  
10 he said that it would work.

11 Q. Any other contingencies?

12 A. Not really.

13 Q. Okay. Now --

14 A. I might clarify that a bit. He had also made  
15 some inquiries in regard to a partner for the venture.  
16 And that was sort of tied in with it.

17 Q. Did you ever consider filing for the frequency  
18 in your own name or in a corporation which you would be  
19 the sole owner?

20 A. No, I did not.



1 Q. Okay. Any reason why -- why did you reject  
2 that option?

3 A. I had too many other things going on at the  
4 time. I did not want to be involved directly in running  
5 the radio station. I had a full plate with some other  
6 projects I was working on.

7 Q. So would it be correct that from the very  
8 beginning, it was your intention that you would be --  
9 you would not be actively involved in the venture?

10 A. Right. I told him I only wanted to be a  
11 passive investor. I did not have the time to get  
12 involved in running a radio station, knew nothing about  
13 it whatsoever.

14 Q. Okay. Did you -- now, you were referring to  
15 finding a partner. Was part of Mr. Thompson's job to go  
16 find a suitable partner for this venture?

17 A. Yes, it was.

18 Q. Okay. Had Mr. Thompson done that with respect  
19 to other applications in which you were involved?

20 A. Yes, he had.

1 Q. Okay. And in New Albany you authorized Mr.  
2 Thompson to go forward and search for a suitable  
3 partner, correct?

4 A. He would locate three or four partners. They  
5 would send me their resumes. And I would check the  
6 resumes out, and then he and I would decide on which  
7 one.

8 Q. Okay. That was the standard procedure that  
9 was used?

10 A. I usually interviewed them myself personally  
11 to make sure that they had broadcast experience and  
12 knowledge of the business and had enough leadership  
13 qualities, management experience to run the station.

14 Q. Okay. Were those some of the -- were those  
15 some of the qualities you were looking for in a partner?

16 A. Yes, I wanted someone who had knowledge of the  
17 business and prior broadcast experience. I didn't want  
18 them relying on me for any advice or consideration.

19 Q. Was there any other criteria you were looking  
20 for in a partner?

1           A.    There was some enhancements that was also  
2 involved. We need someone from the broadcast area, who  
3 lived there in the hometown and also had broadcast  
4 experience and was active in civic affairs.

5           Q.    Did you know in this period, in 1991, that it  
6 was an advantage for the application if your partner  
7 would be a minority?

8           A.    Yes, I understood that.

9           Q.    Okay. Was that a consideration?

10          A.    Yes, it was a consideration.

11          Q.    To your knowledge, did Mr. Thompson undertake  
12 efforts to find a suitable partner for the New Albany  
13 frequency?

14          A.    Yes, he did.

15          Q.    Okay. Did you discuss those efforts with him?

16          A.    Yes.

17          Q.    Did there come a time when he provided you  
18 with one or names of possible partners?

19          A.    Yes, he did.

20          Q.    Do you remember how many names he provided you  
21 with?

1 have handled that one, too. I'm trying to recall if the  
2 attorney that's mixed up in was involved in the other  
3 stuff. The record would show who handled these.

4 Q. I'm just asking for your recollection.

5 A. We handled most of them. But I don't think we

1 A. Yes.

2 Q. Was that bill paid?

3 A. I assume it was.

4 Q. Okay.

5 A. In the start up -- I was set up to loan the  
6 money to the corporation.

7 Q. Okay.

8 A. And the corporation was to pay the bills out  
9 to the various people. However in the start up the bank  
10 account wasn't opened immediately, and money wasn't put  
11 in immediately. So some bills had to be paid at the  
12 very beginning.

13 Q. And so some of those bills would be paid  
14 directly out of your account?

15 A. Yes.

16 Q. You and your wife's account?

17 A. Yes.

18 Q. Do you know how Mr. Emert's bill was -- what  
19 the procedure was that was used to pay Mr. Emert's  
20 bills?

21 A. The same as on Mr. Thompson.

1 Q. Okay. So did you -- I take it you would  
2 receive a copy of the bill from Mr. Emert, correct?

3 A. I would receive a copy and Ms. Staton would  
4 receive a copy.

5 Q. Okay. And then would you review the bill?

6 A. Yes.

7 Q. Did you ever question a bill from Mr. Emert,  
8 the amount, or anything else concerning the bill?

9 A. No. Ms. Staton and I just discussed the  
10 bills, and it was paid.

11 Q. Out of what account was the bill paid?

12 A. The initial start up was paid out of the  
13 accounts receivable. At that point I had not loaned the  
14 corporation the money.

15 Q. To your knowledge, how many bills did the  
16 corporation receive from Mr. Emert?

17 A. Only the start-up costs.

18 Q. Do you know whether Mr. Emert was charging you  
19 on the basis of an hourly rate or some other basis?

20 A. I assume he was charging on an hourly rate.

1 Q. Okay. Without divulging the figure, did you  
2 know what his hourly rate was?

3 A. I think we probably discussed it.

4 Q. Okay. Now, does Mr. Emert currently represent  
5 any entities in which you're involved which either have  
6 an application or a construction permit before the FCC?

7 A. Is he involved currently today?

8 Q. Currently today?

1 Q. Okay. How about Cook Communications, Inc.,  
2 Westwood, Kentucky?

3 A. Those are already the licenses that we  
4 received.

5 Q. For the construction permits you currently  
6 receive, are there any attorneys currently representing  
7 those entities?

8 A. I'm not --

9 Q. I'm referring to -- okay. Leaving aside the  
10 pending applications for a moment, I'm discussing the  
11 entities which currently hold construction permits, like  
12 Westwood, Kentucky; Amarillo, Texas; and Whitehall,  
13 Arkansas. And my question at this point is, is there a  
14 communications lawyer who represents any of those  
15 entities?

16 A. I'm not sure if there's anybody besides Mr.  
17 Evans representing them.

18 Q. Okay. Is Mr. Evans representing them?

19 A. There could be. I'm not sure. Are you  
20 representing all these?

21 MR. EVANS: I'm not the witness.



1 THE WITNESS: The other people are taken care  
2 of a lot of this stuff. I don't really know what's  
3 going on.

4 BY MR. SCHAUBLE:

5 Q. Okay. How did it come to be that Mr. Emert  
6 ceased representing Staton Communications, Inc.?

7 A. I found out through the grapevine that he was  
8 not actively involved in practicing law any more. He  
9 had moved from Knoxville, Tennessee to Seattle,  
10 Washington or a suburb of Seattle, some island out there  
11 in the State of Washington. And he had not followed  
12 through on some of the paperwork that was supposed to be  
13 taken care of.

14 Q. What type of paperwork, do you know?

15 A. FCC filings. In other words, they designate a  
16 hearing or something, he hadn't responded to it.

17 Q. Was this with respect to Staton or with  
18 respect to other applications?

19 A. Other applications.

20 Q. Okay. When did you find this out?

21 A. Probably six or eight months ago.